

An Overview of Knox County's 2007 Annual Trending November 16, 2007

The following steps were taken to conduct the 2007 annual trending in Knox County:

Step 1: Re-Delineation of Neighborhoods

The vast majority of neighborhoods in Knox County were completely re-examined and, where necessary, re-delineated for annual trending in 2006. This resulted in the creation of a few new neighborhoods and the combination of neighborhoods as well. This portion of trending included all property classes. Where there was the lack of sales, analysis was done to ensure the most comparable neighborhood was being used and changed from previous years when warranted.

Step 2: Calculation of New Land Values

New land values were calculated for 2006 and in only limited circumstances did sales warrant new land values for 2007. For residential property, small adjustments may have been made based on sales, but the market adjustment factor was the primary means of updating residential property values. For commercial and industrial properties, land values generally stayed consistent between January 1, 2005 and January 1, 2006. Some market areas or some use types warranted influence factors; these factors were reviewed and adjusted accordingly.

Step 3: Calculation of New Residential Factors & Residential Studies

Per 50 IAC 14, a preliminary ratio study was conducted for vacant and improved residential at the township level. This study dictated which property classes required further analysis, stratification, reassessment or calculation of a new neighborhood factor. In some instances, especially in rural areas of Knox County, the preliminary ratio study indicated that assessments were both accurate and uniform. In other neighborhoods, further review was required. This resulted in the calculation of new neighborhood factors. Within neighborhood 220501, Vincennes main residential neighborhood, grade studies and effective age studies were conducted.

Step 4: Updated Commercial & Industrial Improvement Values

New commercial and industrial cost table updates were the starting point for updating commercial and industrial improvement values. The county also changed the year of depreciation from 2005 to 2006. The Nexus Group Construction Cost Index (NCCIsm) was used to update these cost tables. In addition to the small percentage changes across all use and wall types, some uses were re-examined as a whole (ex. Convenience markets, mobile home parks and fast food restaurants) often resulting in sizeable percentage changes. On average, gross costs increased approximately 7% between 2005 and 2006. However, adjustments above and below this average was applied for specific use types where more detailed construction costs were available. These detailed construction cost models have been constructed by Nexus Group and applied uniformly by property class based on specific usage, wall type and other characteristics.